



NCUA Media Release

NCUA Announces Online Financial Literacy Training Availability

Online Training Available for Federal Credit Union Volunteers

ALEXANDRIA, Va. (June 10, 2011) – NCUA is offering a training module on financial statements for Federal Credit Union (FCU) volunteer officials on the NCUA LearnCenter at: <http://ncua.learn.com/directortraining>.

“The key measure of any credit union’s success or failure is its financial statements,” said NCUA Board Chairman Debbie Matz. “As such, a director must understand these financial statements to meaningfully participate in the control of the credit union. The recent fiduciary duties regulation says directors must have a certain base level of financial skills, consistent with the size and complexity of the credit union they serve. The new online training will help directors to acquire needed financial skills.”

The training module takes approximately one hour to complete and is designed to introduce financial statement concepts to board members with non-financial backgrounds. The training module covers income statements, statements of cash flow, and balance sheets. The cost of the training is \$15, collected via ACH, using information collected during the registration process.

Those who wish to complete the online training should be prepared to provide the name of the person taking the training, name of the credit union, credit union charter number and check digit (found in the call report instructions), address, e-mail address, and payment information (including the financial institution routing number, account number and the name on the account which will be used to pay the \$15 fee).

At a minimum, directors must be able to read and understand their credit union’s balance sheet and income statement and answer the following questions:

- What does each particular line item on the balance sheet and income statement mean?
- Why is it important to the credit union?
- Is the value of any line item changing over time? If so, what does the negative or positive change mean?
- Is the change important to the credit union?

- MORE -



Matz emphasized that volunteers do not have to get certified. “Directors will not be tested on their knowledge by any NCUA examiner. And directors who already have the required financial skills will not have to receive financial training, although it is accessible to them as well.”

The financial skills requirements outlined in NCUA Rule 701.4 general authorities and duties of federal credit union directors will take effect on July 27, 2011. The rule requires FCU board members to have a working familiarity with basic finance and accounting practices. The NCUA Letter to Federal Credit Unions (11-FCU-02), issued in February, has more details regarding financial literacy requirements.

NCUA’s training module is intended to assist FCU board members in achieving regulatory financial literacy requirements. However, completing this training module alone may not be sufficient for larger or more complex FCUs. NCUA continues to encourage FCUs to develop policies to educate board members in a manner that is appropriate for the size and complexity of their institutions.

NCUA is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions. With the backing of the full faith and credit of the U.S. government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of more than 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

- NCUA -